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7  
8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10  
11 Christina Yuni,

12 Plaintiff,

13 v.

14 Johannes Leo and Leo Investment Group,

15 Defendants.

FILED  
07 OCT 19 PM 3:27  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SS  
MJJ  
C 07 5366

COMPLAINT FOR INDEPENDENT  
ACTION IN EQUITY TO SET ASIDE  
DEFAULT JUDGMENT

1 Plaintiff Christina Yuni ("Yuni") hereby brings this independent action in equity to  
2 set aside the default judgment entered against her in the matter entitled Johannes Leo et al. v.  
3 Eastern Vanguard Forex Ltd. et al. previously No. C-99-5367 and alleges as follows:

4 **JURISDICTION AND PARTIES**

5 1. This Court has subject matter of this action pursuant to 28 U.S.C. § 1367  
6 because it arises out of and is ancillary to a judgment issued by this Court. Yuni seeks to set aside  
7 that judgment and this action is therefore so related to that prior action that it forms part of the  
8 same case or controversy and falls within the supplemental jurisdiction of this Court.

9 2. Plaintiff Christina Yuni is an individual residing in and a citizen of the  
10 State of California.

11 3. Defendant Johannes Leo is an individual formerly residing in the State of  
12 California and was a plaintiff in a prior action in this court against Yuni and others entitled  
13 *Johannes Leo and Leo Investment Group v. Eastern Vanguard Forex Ltd. aka and dba Tokyo*  
14 *International Investment Ltd.*, No. C-99-5367.

15 4. Defendant Leo Investment Group is a California corporation and was a  
16 plaintiff in a prior action in this court against Yuni and others entitled *Johannes Leo and Leo*  
17 *Investment Group v. Eastern Vanguard Forex Ltd. aka and dba Tokyo International Investment*  
18 *Ltd.*, No. C995367.

19 **Background Allegations**

20 5. In 1996, Yuni met Johannes Leo ("Leo") while both were attending the  
21 University of San Francisco ("USF"). They soon became close friends.

22 6. In 1998, Leo graduated from USF with and received an MBA in Finance  
23 with an emphasis in Investment Analysis.

24 7. While attending USF, Leo traded actively and successfully in the stock  
25 market. Leo maintained an active portfolio and advised Yuni that he had transformed an initial  
26 \$100,000 investment into more than \$3,000,000. Leo was a sophisticated and knowledgeable  
27 investor in every meaningful sense.

28 8. Following Leo's graduation, he started his own investment firm. In that

1 capacity, Leo extensively researched the securities market and developed great sophistication  
2 concerning the securities and financial marketplaces.

3 9. In the Fall of 1998, Leo offered Yuni a position as research assistant. Yuni  
4 declined the opportunity but became even closer friends with Leo and began dating him in early  
5 1999. At this time, Yuni was still an undergraduate at USF.

6 10. In or about February 1999, at the age of 20 and while still an  
7 undergraduate, Yuni took a job at Tokyo International Investment, LTD ("TII") as an account  
8 executive. TII was engaged in the business of foreign currency trading. Yuni had no prior  
9 experience with foreign currency trading and no prior affiliation with TII.

10 11. After beginning her part-time position at TII, Yuni encouraged family and  
11 friends to open small accounts there. Yuni was in a dating relationship with Leo at this time, and  
12 he decided to open a \$25,000 account in late March of 1999. This \$25,000 represented a very  
13 minor portion of Leo's net worth.

14 12. Before opening the account, Leo reviewed and signed the standard TII  
15 Customer Agreement. In connection with that agreement and Leo's \$25,000 account, he gave  
16 Yuni discretionary power to place trades in his account which was not uncommon due to the  
17 importance of being able to make immediate decisions when currencies were experiencing  
18 fluctuations in price during times that it might be impossible to reach the account holder.

19 13. By mid-May 1999, Leo's account balance had grown to approximately  
20 \$34,000, representing a gain of more than 33 percent in less than a couple of months. At that  
21 time, however, Yuni faxed to Leo a statement showing his balance as approximately \$52,000  
22 rather than \$34,000.

23 14. Leo invested an additional \$100,000 in his account in May 1999. At that  
24 time, Leo and Yuni continued to be in a dating relationship. While Yuni maintained a residence  
25 of her own, she saw Leo virtually every day and spent much time at his residence. Leo and Yuni  
26 were seeing each other so frequently that Leo requested that Yuni bring his account statements to  
27 his residence rather than sending them by mail. Yuni did so.

28 15. While subject to fluctuations, Leo's account at TII continued to experience

1 market success during May and June of 1999. Leo's very substantial stock investments in  
2 accounts at places other than TII had also performed very well. In July, Leo advised Yuni that he  
3 wanted to diversify some of his stock investment gains and, for that purpose, opened an additional  
4 account at TII on behalf of the Leo Investment Group in the amount of \$100,000.

5 16. By July of 1999, Leo was fully involved in the decision-making for all  
6 trades made in his TII account and in the Leo Investment Group TII account. While Yuni  
7 continued to obtain research and other information through her position at TII and sometimes  
8 made recommendations, Leo made the final decision on all TII trades in either account during this  
9 time.

10 17. By early August 1999, Leo had suffered some modest losses in his TII  
11 accounts by reason of his decision to go short in the Japanese yen. Notwithstanding these modest  
12 losses that were being carried in his account, Leo advised Yuni in early August 1999 that he  
13 believed that the Japanese yen was likely to weaken in light of upcoming events. Leo sought and  
14 received input from TII's technical analyst and from Michael Cho of TII. Leo decided to deposit  
15 an additional \$400,000 in his personal account to gain more leverage in anticipation of what he  
16 expected to be a weakening in the yen.

17 18. In August 1999, Leo instructed Yuni to use a significant amount of his  
18 newly-deposited funds to take a position shorting the Japanese yen in the expectation that it  
19 would drop in value. Initially, the yen did drop in value and Leo made money in this position.  
20 He instructed Yuni to add even more positions. Unfortunately, the yen began to strengthen. In  
21 response, Leo instructed Yuni to add even more short positions in expectation that the yen would  
22 reverse course.

23 19. The yen continued to strengthen in late August and early September. Leo  
24 was fully aware of these developments and their impact on his short positions. Leo deposited an  
25 additional \$100,000 into his account to increase the capital available to support his existing  
26 positions until the yen began to weaken.

27 20. In early to mid September of 1999, the yen continued to strengthen,  
28 causing Leo to incur additional losses in the positions that he had taken. In an attempt to recoup

1 these losses, Leo deposited an additional \$400,000 and continued to direct trades in his account.  
2 Yuni executed these trades at Leo's direction, but Leo made all decisions concerning the trades.

3 21. Leo's positions continued to lose money in September and early October.  
4 On or about October 12, 1999, Leo closed both his personal account and the Leo Investment  
5 Group account at TII.

6 22. During the entire period of February through October 1999, Yuni remained  
7 in a close, dating relationship with Leo. After closing his accounts, Yuni and Leo continued their  
8 relationship. However, Leo advised Yuni that he wanted to sue TII to recover some of his losses  
9 and asked Yuni to support him in this effort in light of their close personal relationship. To assist  
10 Leo, Yuni agreed to meet with Leo's counsel and did so. At no time during these discussions  
11 between Yuni and Leo did he indicate to Yuni that he believed that she was responsible for his  
12 losses.

13 23. In mid-December, 1999, Yuni ended her dating relationship with Leo for  
14 reasons entirely unrelated to Leo's investment losses. A few days later, Yuni was served with a  
15 summons and complaint filed by Leo and Leo Investment Group suing TII and nine persons and  
16 entities associated with TII, including Yuni.

17 24. At the time Yuni was served with the complaint, she was no longer  
18 employed by TII. Yuni had never before been involved in any type of lawsuit. Yuni also had  
19 very little in the way of assets.

20 25. Knowing that the complaint was directed entirely at Leo's experience with  
21 TII, Yuni contacted Paul Khong at TII to determine whether TII would be handling the matter for  
22 her. Khong advised Yuni that TII's counsel would handle the matter for Yuni and the several  
23 other TII employees that had been named as defendants.

24 26. Because the allegations directed at her related entirely to actions taken  
25 while employed by TII, Yuni reasonably believed Khong and TII when she was told that it would  
26 provide a defense on her behalf. At the time Yuni was served with the complaint, she was 21  
27 years, unemployed and without resources to defend a complex federal action alleging  
28 racketeering, securities violations, and a host of other claims. Yuni had no reason to doubt Khong

1 or to believe that TII would not be providing a defense.

2 27. In January of 2000, Yuni left the United States to visit and stay with her  
3 family in Indonesia. Before making this trip, Yuni advised Khong that she would be leaving and  
4 provided contact information so that, if necessary, he, TII or counsel retained by TII for her and  
5 others could contact her. At no time did Khong or anyone else associated with TII advise Yuni  
6 that TII would not be providing counsel to represent her in Leo's action.

7 28. Yuni returned to the United States in October 2000. Between the time of  
8 Yuni's return and July 19, 2007, she had no indication that TII had not provided counsel for her  
9 in Leo's action or that there had been any sort of adjudication in that action adverse to her. Prior  
10 to July 19, 2007, Yuni simply believed that TII was no longer in business and that the matter had  
11 settled or otherwise been resolved.

12 29. On March 5, 2001, Leo and Leo Investment Group applied for a default  
13 judgment against Yuni. At that time, Yuni had no knowledge that the case was still pending or  
14 that TII had not retained counsel on her behalf.

15 30. On August 13, 2001, a default judgment was entered against Yuni in the  
16 amount of \$2,757,558.60 in favor of Leo and in the amount of \$419,280.72 in favor of Leo  
17 Investment Group. These judgment amounts included, among other things, awards of treble  
18 damages pursuant to the federal racketeering statutes. At the time the default judgment was  
19 entered, Yuni had no knowledge that the case was still pending or that TII had not retained  
20 counsel on her behalf.

21 31. On July 19, 2007, Yuni was surprised to learn that her wages were being  
22 garnished and that her bank account was being attached to pay portions of a default judgment that  
23 had been entered against her in August 2001 in Leo's prior action. According to the papers  
24 provided to Yuni, the amount owed on that default judgment was claimed to be in excess of  
25 \$5,000,000 as of July 2007.

26 32. Prior to the execution on her bank account and the wage garnishment in  
27 July of 2007, Yuni had no knowledge that a default judgment had been entered against her in  
28 Leo's prior action or that TII had apparently chosen not to provide counsel to represent her.



**Claim For Relief**

33. Yuni realleges and incorporates by reference the allegations contained in Paragraphs 5 through 32 above.

34. The default judgment against Yuni entered in the prior action should not, in equity and good conscience, be enforced and said default judgment should be set aside by this Court. That judgment would cause a grave injustice if allowed to remain.

35. Yuni possesses good defenses to the claims on which the default judgment is based. Among other defenses, Yuni can and will prove that the plaintiffs in the prior action were not misled by Yuni in any material way; that the former plaintiffs did not reasonably rely on any actions of Yuni bearing any relationship to their claimed injury; that Yuri was not a party to any racketeering enterprise or otherwise liable; and that the damages reflected in the default judgment were not proximately caused by any actions taken by Yuni.

36. The prior default judgment against Yuni was obtained by reason of fraud, accident or mistake that prevented her from obtaining the benefit of a defense. Among other things, Yuni reasonably believed that TII was providing counsel that was representing her in the underlying action and that such counsel would be providing the meritorious defenses that she had to plaintiffs' claims.

37. Yuni acted reasonable in light of all circumstances and reasonably believed that she was represented in the underlying action; that the underlying action had been settled or otherwise resolved by TII and that no further action on her part was necessary.

38. In materials respects, the statements made by Leo in support of the default judgment were false and misleading and would not have supported a judgment against Yuni if evidence had been presented on her behalf. Among other misstatements and material omissions made by Leo in his declarations are the following:

a) Leo asserted that he agreed to invest in currency transactions based on representations made by Yuni. In fact, Leo was far more sophisticated and experienced than Yuni and chose to invest in currency as a means of diversifying his substantial securities portfolio;

1                   b)     Leo asserted that he received mailed statements in April and May  
2 but somehow did not receive mailed statements for months thereafter due to unexplained  
3 problems with mail delivery. In fact, at Leo's request, Yuni was personally delivering statements  
4 to Leo on an ongoing basis and Leo was made fully aware of all transactions in his account.

5                   c)     Leo asserted that he first became aware of significant losses in his  
6 account on September 6, 1999. In fact, Leo knew of the transactions taking place in his account  
7 prior to that date; had been directing those transactions and was fully aware of the losses that  
8 were occurring in the account on an ongoing basis.

9                   d)     Leo asserted that he was a completely passive investor and that  
10 Yuni successfully dissuaded him from participating in decisions in his TII account. In fact, Leo  
11 was an experienced and knowledgeable investor who did not and would not entrust hundreds of  
12 thousands of dollars to a 21-year old student and was actively involved in his TII account.

13                  e)     Leo asserted that he would not have invested additional funds in his  
14 TII account but for Yuni's having provided a May 12 account statement that showed gains larger  
15 than those actually realized on his initial \$25,000 investment. In fact, Leo's investment decisions  
16 that resulted in his substantial investment losses occurred months after May of 1999; were made  
17 despite many subsequent transactions and with knowledge of losses in the account and had  
18 nothing to do with the fact that his original \$25,000 had grown by "only" forty percent by May 12  
19 rather than by one hundred percent.

20                  39.     Yuni files this independent action in equity to set aside the prior judgment  
21 because she has no adequate remedy at law. The existing \$5,000,000 judgment, which consists  
22 largely of treble, racketeering damages and interest thereon, is manifestly unjust in the  
23 circumstances alleged herein, and Yuni has no other recourse to set it aside.

24                  WHEREFORE, Yuni prays for relief as follows:

25                  1.     That the default judgment entered in the prior action be set aside and that  
26 Yuni be permitted to present a defense in that action;

27                  2.     That defendants be enjoined from taking any action to enforce the prior  
28 judgment against her;



- 1                   3.     That defendants be required to pay her costs of suit herein; and  
2                   4.     That this Court award such other and further relief as may be just and  
3 proper.

4  
5 Dated: October 19, 2007

6                   GEORGE A. YUHAS  
7                   ORRICK, HERRINGTON & SUTCLIFFE LLP

8  
9 By: \_\_\_\_\_

George A. Yuhas  
Attorneys for Plaintiff Christina Yuni